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October 3, 1950

## OGC HAS REVIEWED.

The President:

(Through the Director, Bureau of the Budget)

We have the honor to submit for your consideration a draft of a proposed order authorizing the Civil Service Commission to adopt special procedures in connection with national defense expansion, in accordance with section 1302 of the Supplemental Appropriation Act of 1951, which requires that all reassignments, transfers, and promotions shall be temporary.

In addition to effectuating the provisions of section 1302, the attached draft also provides that on and after November 1, 1950 all new appointments to positions in the Federal civil service shall be on an emergency basis, with the exception of postmaster appointments and appointments to a few highly specialized positions. We feel that this action is now necessary for the following reasons:

1. If appointments to new positions in the defense agencies are temporary, in accordance with the purpose of section 1302, these agencies, in many cases, will be at a disadvantage in recruitment as compared to the non-defense agencies unless all Federal appointments are temporary.

2. In other cases, under a dual appointment system it would often result that persons highest on registers would accept emergency appointments and their names would be removed from the register. Thus less qualified persons lower on the register would be enabled to obtain permanent appointments.

3. Many thousands of American citizens will not be able to compete for Federal positions because of service in the armed forces. It is not fair to them to fill Federal vacancies on a permanent basis.

4. Under section 1302 Federal career employees may be transferred or promoted on a temporary basis only. If new appointments were continued on a permanent basis, the new appointees in many cases would be in a more favorable position than career employees with many years of service.

New employees who are hired on an emergency basis will not be covered by the Civil Service Retirement Act, and therefore it will not be necessary to take the six per cent retirement deduction from their salaries. This feature of the proposed order will save an immense amount of work which would otherwise be necessary on conclusion of the emergency in refunding retirement deductions to emergency employees who leave the service.

The emergency employees will for the most part be covered by the Social Security System because of the recent amendments to the Social Security Act. Many emergency employees of the Postal Service, however, are excluded from Social Security coverage, and we strongly urge that legislation be introduced to amend the Social Security Act further in order to cover such employees.

The order gives the Commission authority in unusual circumstances to permit permanent appointments to highly specialized positions. We feel this authority is necessary to attract competent applicants to certain types of scientific and other specialized positions.

In providing for temporary transfers of career employees under section 1302, the Commission feels that reemployment rights should be granted if the transfer is in the interest of the Government. One objective of section 1302 is the encouragement of transfers from non-defense to defense agencies. Since the provision of reemployment rights will further this objective, we have drafted the proposed order accordingly.

Employees may leave an agency with reemployment rights, either to enter the armed forces or for service in another Federal agency, and they may leave positions which they have occupied on either a permanent or a temporary basis. We are of the opinion that the exercise of such reemployment rights should be limited to the position last occupied on a permanent basis or one of equal seniority, status, and pay, and the proposed order is drafted accordingly. However, the Commission will provide by regulation for temporary reemployment of former permanent employees in positions to which they had been promoted on an emergency basis.

When permanent appointments are resumed the Commission intends to issue regulations requiring agencies to consider employees still absent on military duty for promotion to higher grade permanent positions. In this way such employees will compete on an equal basis with those who have been temporarily promoted.

We have the honor to be,

Very respectfully,

/s/

HARRY B. MITCHELL  
FRANCES T. PERKINS  
JAMES M. MITCHELL  
Commissioners